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Attorneys for Debtors and
 Debtors in Possession

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:
 THE RHODES COMPANIES, LLC, aka
 "Rhodes Homes," et al.,¹
 Debtors.

Case No.: BK-S-09-14814-LBR
 (Jointly Administered)

Chapter 11

Affects:

Hearing Date: May 15, 2009

¹ The Debtors in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, A Nevada Limited Partnership (Case No. 09-14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C & J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20, LLC (Case No. 09-14848); Tuscany Acquisitions IV, LLC (Case No. 09-14849); Tuscany Acquisitions III, LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-14856); Wallboard, LP (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalkline, LP (Case No. 09-14862); Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, L.L.C. (Case No. 09-14882); Tuscany Golf Country Club, LLC (Case No. 09-14884); and Pinnacle Grading, LLC (Case No. 09-14887).

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☒ All Debtors
☐ Affects the following Debtor(s)

Hearing Time: 1:30 p.m.
 Courtroom 1

STIPULATION BETWEEN THE DEBTORS AND NEVADA POWER COMPANY

WHEREAS, on March 31, 2009 and April 1, 2009, The Rhodes Companies, LLC, aka "Rhodes Homes," et al. (collectively, the "Debtors"), filed voluntary petitions for relief under chapter 11 of title 11 of the Bankruptcy Code in the United States Bankruptcy Court, District of Nevada, and their cases are being jointly administered under Case No. BK-S-09-14814-LBR.

WHEREAS, on April 1, 2009, the Debtors filed their *Motion for an Order Under Section 366 of the Bankruptcy Code (A) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Service, (B) Deeming Utilities Adequately Assured of Future Performance, and (C) Establishing Procedures for Determining Adequate Assurance of Payment* [Heritage Docket Number 22] (the "Utilities Motion").

WHEREAS, on April 16, 2009, Nevada Power Company d/b/a NV Energy ("NV Energy") filed its opposition (the "Opposition") to the Utilities Motion [Heritage Docket Number 134].

WHEREAS, the Debtors and NV Energy in good faith seek an informal resolution of the issues relating to the Opposition by means of this Stipulation.

NOW, THEREFORE, IT IS HEREBY STIPULATED by the undersigned parties, through their counsel and respective representatives that:

(a) The Debtors shall provide a cash security deposit to NV Energy in the amount of 150% of the estimated average monthly consumption, for a total deposit of \$23,865.00 (the "New Deposit"). See 11 U.S.C. § 366(c)(1)(A)(i).

(b) The Debtors will timely pay all future postpetition utility invoices from NV Energy in the regular course of business.

(c) The New Deposit shall be held by NV Energy and shall not be applied to any future postpetition billings, which shall be timely paid pursuant to Paragraph (b). However, in the event the Debtors do not timely pay their postpetition invoices in the regular course of business, the New Deposit will be applied to the postpetition default with no notice to, or consent from, the Debtors. Further, NV Energy may immediately proceed with its rights to alter, refuse

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1 or discontinue service to the Debtors without further notice to, or consent from, the Debtors other
2 than that required pursuant to nonbankruptcy law governing NV Energy's alteration, refusal, or
3 discontinuance of service to its customers. NV Energy shall follow all nonbankruptcy law
4 protocols governing NV Energy's alteration, refusal, or discontinuance of service to the Debtors.

5 (d) The Debtors agree that NV Energy is being requested to continue to provide
6 postpetition utility services to the Debtors pursuant to this Stipulation. The Debtors agree that
7 NV Energy has an allowed administrative priority claim with administrative expense priority for
8 all unpaid postpetition NV Energy bills. *See* 11 USC §§ 503 and 507. This Stipulation does not
9 prohibit Debtors from disputing any postpetition NV Energy bills pursuant to nonbankruptcy law
10 protocols governing such customer disputes.

11 (e) NV Energy currently holds the Debtors' prepetition security deposit in the amount
12 of \$85,750.00 (the "Old Deposit"). NV Energy shall apply \$23,865.00 of the Old Deposit to the
13 New Deposit pursuant to Paragraph (a). Additionally, the amount of \$3,832.24 of the Old
14 Deposit shall be applied to unpaid prepetition inactive account balances. The Old Deposit
15 remaining balance of \$58,052.76 shall be refunded by NV Energy to Debtors.

16 (f) The parties hereto represent that they have had an opportunity to consider this
17 Stipulation and confer with counsel of their choosing, and they have freely executed and entered
18 into this Stipulation. Each of the signatories hereto represents that he or she is authorized to
19 execute this Stipulation on behalf of his or her respective entity.

20 (g) The Stipulation may be executed in counterparts, any of which may be
21 transmitted by facsimile, and each of which shall be deemed an original, but all of which
22 together shall constitute one instrument.

23 (h) The Stipulation contains the entire understanding and agreement of the parties,
24 and there are no prior or contemporaneous promises, representations, agreements, warranties, or
25 undertakings by either party to the other, either oral or written of any character or nature, except
26 as set forth in this agreement. The Stipulation may be altered, amended, or modified only by an
27 instrument in writing, executed and acknowledged by the parties to the Stipulation. Each party
28

1 waives any rights to claim that the Stipulation was modified, canceled, superseded or changed by
2 an oral agreement, course of conduct or estoppel.

3 DATED this 18th day of June 2009.

DATED this 18th day of June 2009.

4 LEACH JOHNSON SONG & GRUCHOW

LARSON & STEPHENS

5 By: /s/ Kirby C. Gruchow, Jr.

By: /s/ Zachariah Larson

6 KIRBY C. GRUCHOW, JR., ESQ.

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